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March 21, 2003

BY HAND

*Re: G-I Holdings Inc. et al. v. Hartford Accident
& Indemnity Company et al.
Docket No.: SOM-L-980-97*

Honorable Frank W. Gasiorowski
Superior Court of New Jersey
Somerset County Courthouse
20 North Bridge Street
Somerville, NJ 08876-1262

Dear Judge Gasiorowski:

We represent plaintiffs International Specialty Products Inc., Building Materials Corporation of America d/b/a GAF Materials Corporation and G-I Holdings Inc. Pursuant to Case Management Order Number 10, we submit this explanation of plaintiffs' corporate histories.

I. GAF Corporation

On May 26, 1967, the Ruberoid Company, a building materials and roofing products manufacturer, merged with and into General Aniline and Film Corporation ("General Aniline"), with General Aniline being the surviving corporation. In 1968, General Aniline changed its name to GAF Corporation ("Old GAF"). In July 1986, Old GAF split into two corporations and contributed all assets and liabilities of its (1) Building Materials Division to a wholly-owned corporate subsidiary, GAF Building Materials Corporation ("Old GAF BMC"), and (2) Chemicals Division to GAF Chemicals Corporation ("Old GAF Chemicals").

In April 1989, Old GAF BMC merged with and into Old GAF. Old GAF completely liquidated and contributed assets and liabilities to Dorset Inc., Edgecliff Inc., Merick Inc., Perth Inc. and Clover Inc. Edgecliff Inc. then changed its name to GAF Building Materials Corporation ("GAF BMC"), and its parent, Newco Holdings Inc., changed its name to GAF

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Corporation. Old GAF Chemicals merged into Dorset Inc., and Dorset Inc. then changed its name to GAF Chemicals Corporation ("GAF Chemicals").¹

As a result of the April 1989 transactions, GAF BMC acquired the assets and related liabilities arising from: (1) ongoing building materials businesses, including environmental claims; (2) environmental claims from plants no longer operating; and (3) environmental claims from oil waste contamination. GAF Chemicals acquired the assets and related liabilities arising from: (1) ongoing acetylene chemicals, surfactants, specialty chemicals, organometallics, mineral products, industrial filters and filter vessels businesses (the "Chemicals Businesses"); (2) the production of Amiben; (3) Linden clean-up costs; and (4) environmental claims arising from plants currently operating in the Chemicals Businesses.

II. Breakdown of Environmental Liabilities Presently Assumed by Each Plaintiff

A. Building Materials Corporation of America

Building Materials Corporation of America ("BMCA") was incorporated in January 1994 as an indirect, wholly-owned subsidiary of GAF Corporation and as a wholly-owned subsidiary of GAF BMC.² GAF BMC transferred to BMCA certain assets and related liabilities of its building materials businesses. As a result of these transactions, BMCA contractually assumed GAF BMC's environmental liabilities relating to plant sites of the building materials businesses that were in operation at the time of the January 1994 agreement. GAF BMC retained all other environmental liabilities not relating to current operations. BMCA and/or its subsidiaries presently bear responsibility for sites at issue in this litigation, including: the Millis, Massachusetts roofing plant site; the East Bethel Sanitary Landfill in Anoka County, Minnesota; and the Tampa Stillyard site in Tampa, Florida.

B. International Specialty Products Inc.

International Specialty Products Inc. ("Old ISP") was formed in May 1991 as an indirect, wholly-owned subsidiary of GAF Corporation and as a direct wholly owned subsidiary of GAF Chemicals. In connection with an Initial Public Offering of Old ISP, certain assets and

¹ Merick Inc. is presently a subsidiary of G-I Holdings Inc. Clover Inc. is presently a subsidiary of International Specialty Products Inc., and is now known as ISP (Puerto Rico) Inc. Perth Inc. was ultimately dissolved.

² BMCA was incorporated under the name "GAF Newco, Inc." on January 31, 1994, and its name was changed to BMCA on February 22, 1994.

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related liabilities of the Chemicals Businesses were transferred from GAF Chemicals to newly-created Old ISP subsidiaries. One such subsidiary, ISP Environmental Services Inc., assumed "all liabilities and obligations relating to the manufacture and sale of specialty chemicals at Linden, N.J., known and unknown, contingent or otherwise, including liabilities for the remediation of the Linden Site."

Effective January 1, 1997, through a series of transactions, Old ISP, its subsidiaries and its parent, ISP Holdings Inc., were separated from GAF Chemicals and GAF Corporation. On July 15, 1998, Old ISP merged with and into ISP Holdings Inc. with the surviving company changing its name to International Specialty Products Inc. ("ISP"). As a result of these transactions, ISP, through its subsidiaries, bears liability for all environmental claims arising out of the Linden site and for environmental claims arising from other sites at issue in this litigation, including: the LCP Property in Linden, New Jersey; the Picillo Landfill in Coventry, Rhode Island; the Lone Pine Landfill in Freehold, New Jersey; Scientific Chemical Processing, Inc. ("SCP"), Carlstadt, New Jersey; SCP Newark, New Jersey; and Seaboard Chemical in Jamestown, North Carolina.

C. G-I Holdings Inc.

As a result of a series of transactions in October and November, 2000, GAF Corporation and several of its subsidiaries, including G-I Holdings Inc., merged into GAF BMC, with GAF BMC changing its name to G-I Holdings Inc. ("G-I"). G-I thereby assumed all of the assets and related liabilities of GAF Corporation and GAF BMC, and G-I is the parent of BMCA and of BMCA's direct parent, BMCA Holdings Corporation. On January 5, 2001, G-I filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the District of New Jersey. Neither ISP nor BMCA are included in the bankruptcy filing.

G-I bears responsibility for sites involved in this action, including: the Colesville Landfill in Colesville, New York; the Mathis/Shaver's Farm Landfill in Shavers, Georgia; the Novak Landfill in South Whitehall Township, Pennsylvania; the Novacor Landfill in Chattanooga, Tennessee; the Main Street, Canal Road and Towpath sites in South Bound Brook, New Jersey; the Gloucester, New Jersey sites; and the South Marbletop Road site in Kensington, Georgia.


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III. Conclusion

As more fully set forth above: (1) the assets, rights and liabilities associated with the Linden plant cleanup costs, and with the operating Chemical Businesses and facilities in 1991, were transferred to ISP and/or its subsidiaries; (2) the assets, rights and liabilities associated with the operating building materials businesses and facilities in 1994 were transferred to BMCA and/or its subsidiaries; and (3) the remaining assets, rights and liabilities were retained by G-I. ISP, BMCA and G-I should be more clearly identified as plaintiffs in this matter. These entities and/or their subsidiaries bear responsibility for the environmental claims involved in this action and own the insurance coverage rights for these claims.

Pursuant to Case Management Order Number 10, plaintiffs enclose herewith: (1) an Amended Caption to plaintiffs' Second Amended Complaint; and (2) a proposed form of Consent Order which allows plaintiffs to file and serve their Amended Caption. If you have any questions, or wish to discuss this matter further, please do not hesitate to contact us.

Respectfully submitted,



Anthony Bartell

cc: Counsel of Record (facsimile & regular mail with enclosures)

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Defendants.

**AMENDED CAPTION TO
SECOND AMENDED COMPLAINT**

Plaintiffs G-I Holdings Inc., International Specialty Products Inc. and Building Materials Corporation of America d/b/a GAF Materials Corporation, including their predecessors, successors, subsidiaries and other related corporate entities (hereinafter referred to collectively as "Plaintiffs"), by way of Second Amended Complaint against defendants, state as follows:

NATURE OF ACTION AND RELIEF SOUGHT

1. This is a civil action for damages, for declaratory judgment, for compensatory relief, for consequential damages and for punitive damages resulting from defendants' breaches of their contractual obligations to defend and indemnify plaintiffs against liabilities for various claims and losses covered by policies of insurance sold by the defendant insurers. Plaintiffs bring this action because they find themselves in the all too familiar position of many insureds -- having paid its premiums and otherwise complied with all of its obligations under the insurance policies sold by the defendant insurers, the defendant insurers have refused to fulfill their part of the bargain. Without just cause or excuse, they have refused to indemnify or defend plaintiffs against numerous environmental claims asserted against plaintiffs by both private parties and governmental entities here in New Jersey and elsewhere around the country.

JURISDICTION AND VENUE

2. The Court has jurisdiction over this action because each named defendant was authorized to do business in the State of New Jersey within the time period relevant to the causes of action stated herein and/or has transacted business within New Jersey by, *inter alia*, doing a series of acts in New Jersey for the purpose of realizing pecuniary benefits; contracting to supply services in New Jersey; and contracting to insure persons, property or risks located within New Jersey.

3. Venue is proper within this county because each named defendant insurer

conducts business within this county.

IDENTITY OF PARTIES

4. Plaintiffs are corporations organized and existing under the laws of the State of Delaware, with their principal places of business in New Jersey, and are qualified to do business in New Jersey. Plaintiffs and/or their subsidiaries bear responsibility for the underlying environmental claims at issue in this action and are entitled to insurance coverage, under defendants' policies, for such claims.

5. Defendant Hartford Accident and Indemnity Company ("Hartford") is a Connecticut corporation with its principal place of business in Hartford, Connecticut. Hartford is now and, at all times relevant to the Complaint, was licensed or authorized by various states, including New Jersey, to sell insurance policies, including comprehensive general liability insurance policies.

6. Defendant Century Indemnity Company, as successor to CCI Insurance Company, as successor to Insurance Company of North America ("Century") is a Pennsylvania corporation with its principal place of business in Philadelphia, Pennsylvania. Century is now and, at all times relevant to the Complaint, was licensed or authorized by various states, including New Jersey, to sell insurance policies, including comprehensive general liability insurance policies.

7. Defendant Commercial Union Insurance Company ("Commercial Union") is a New York corporation with its principal place of business in New York, New York. Upon information and belief, Commercial Union is the successor to, and has assumed the liabilities and obligations of, Employers Liability Assurance Corp. and Employers Surplus Lines Insurance Company. Commercial Union is now and, at all times relevant to the Complaint, WAS licensed

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Attorneys for Plaintiffs

G-I HOLDINGS INC., INTERNATIONAL	:	SUPERIOR COURT OF NEW JERSEY
SPECIALTY PRODUCTS INC. and	:	LAW DIVISION: SOMERSET COUNTY
BUILDING MATERIALS CORPORATION	:	DOCKET NO. L-980-97
OF AMERICA d/b/a GAF MATERIALS	:	
CORPORATION,	:	CIVIL ACTION
	:	
Plaintiffs,	:	
	:	
vs.	:	CONSENT ORDER
	:	
HARTFORD ACCIDENT & INDEMNITY	:	
COMPANY <i>et al.</i> ,	:	
	:	
Defendants.	:	

THIS MATTER having been opened to the Court by the parties, pursuant to Case Management Order Number 10, for an Order granting plaintiffs leave to file an amended caption to their Second Amended Complaint; and the parties having consented to the form and entry of this Order; and for good cause shown;

IT IS on this day of March, 2003,

ORDERED that plaintiffs be and hereby are granted leave to file and serve an amended caption to their Second Amended Complaint, which designates as plaintiffs in this action G-I Holdings Inc., International Specialty Products Inc. and Building Materials Corporation of America d/b/a GAF Materials Corporation.

IT IS FURTHER ORDERED that plaintiffs shall file and serve their amended caption within five (5) days after receiving this Order.

IT IS FURTHER ORDERED that nothing contained herein shall prevent defendants from responding to the amended caption in a fashion consistent with the Court Rules and the governing case management orders.

IT IS FURTHER ORDERED that a copy of this Order shall be served upon all parties within two (2) days after receipt by plaintiffs.

Frank W. Gasiorowski, J.S.C.

We hereby consent to the form and entry of this Order.

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Attorneys for Plaintiffs

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Anthony Bartell

Dated:

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Attorneys for Defendant
Hartford Accident & Indemnity Company

By: _____
David M. Pollack

Dated:

White & Williams LLP
Attorneys for Defendant
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CCI Insurance Company, as successor to
Insurance Company of North America (successor in interest to
Indemnity Insurance Company of North America)

By: _____ Dated:
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